NSC BRIEFING

7 September 1954

THE CHINESE OFFSHORE ISLANDS

- I. Principal conclusions of current special estimate on Chinese offshore islands are as follows:
 - A. Chinese Communists have long had sufficient troops, and means of improvising amphibious lift, to overwhelm any of Nationalist-held offshore islands, except the Quemoys, in a few days, against Nationalist opposition only.
 - B. Quemoys are well defended, successful assault would be harder, would take longer, would involve heavy losses.
 - C. There is no doubt that Communists intend to take over all offshore islands at some time.
 - D. We believe Peiping estimates that all-out effort to take major Nationalist-held offshore islands might well involve substantial risk of war with US.
 - E. Nevertheless, we believe Chinese Communists will be increasingly willing to undertake probing actions designed to test US intentions.
 - F. Such probing actions include raids against defended islands, occupancy of adjacent islands, increase in air, naval and artillery activity.
 - G. If such actions encounter no appreciable US counteraction, Chinese Communists will probably

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increase scale of their attacks, even to extent of attempting to seize major offshore islands.

- II. Current Communist operations against Quemoys seem good illustration of probing to test US intentions.
 - A. Since early July Peiping has been publicly threatening to "liberate" offshore islands as well as Formosa.
 - B. Quemoy is good test case as Nationalist holdings just off Communist port hard to justify to world opinion, US support of islands so close to mainland difficult in practical terms, US intervention in Quemoys presents considerable risk of mainland involvement.

- D. Afternoon 3 September, Communist artillery bombarded Quemoys five hours; shelling continued at reduced level on 4 September.
- E. By 5 September, strong US naval and air forces had moved into Formosan waters with mission of conducting air patrol in Formosa Strait and conducting direct defense of Quemoys, if necessary.

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- F. US forces in area now include heavy cruiser St.

 Paul, three carriers, three destroyer divisions.
- III. Communist actions in recent days suggest Communists have concluded US will defend Quemoys against attack.
 - A. Intermittent shelling has continued daily, but at level much below 3 September bombardment.

E. No reports to date of activity of any kind by

- E. No reports to date of activity of any kind by
 Communist aircraft in Quemoy area, although
 bombers based at Shanghai and Canton could make
 air strikes on Quemoy or any other Nationalist base.
- IV. Nationalists have been active both defensively and offensively.
 - A. Nationalist garrison on Quemoys--43,000 regulars plus 11,000 guerrillas--has doubled guard in beach positions, has continued prepare against possible Communist landings.

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- B. Preparations made for possible reinforcement of Nationalist garrison.
- C. Nationalist aircraft have carried out number of reconnaissance, bombing and strafing missions aimed at Communist artillery and junks near Amoy; these junks, which number in hundreds, would be used for lifting troops in event of attack.
- D. Nationalist naval forces in area, strengthened by arrival of their three destroyers, took part in raids of 6 and 7 September
- E. Nationalist artillery has fired on Communist gun positions and has shelled Amoy.
- V. Communists remain capable of attempting to invade

 Quemoys despite presence of US forces in area.
 - A. Nationalists estimate most favorable period for invasion to be 12-22 September.
 - B. However, an early Communist attempt to invade Quemoys now appears doubtful.
 - C. Failure of Communist attempt to take Quemoys would mean much greater loss of face for Communists than would postponement of Quemoy operation.
 - D. At same time, continuing strong possibility of
 Communist probing operations as regards other
 major Nationalist-held offshore islands--Tachens

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E. The appearance of unidentified aircraft over Formosa on 6 September points up increasing possibility of Communist air strikes against Formosa, particularly against airfields used by planes supporting the offshore islands.